

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1915

Introduced by Assembly Member Davis

February 16, 2010

~~An act to add Section 2853 to the Public Utilities Code, relating to solar energy. An act to add Sections 17053.86 and 23686 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1915, as amended, Davis. ~~Solar energy projects: rental properties: Income taxes: credits: music production companies.~~

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, for each taxable year beginning on or after January 1, 2010, authorize a credit under both laws in an amount equal to ____% of the qualified expenditures paid or incurred by the taxpayer for the production of a qualified music recording, as defined, in California.

This bill would take effect immediately as a tax levy.

~~Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations. A decision of the PUC adopted the California Solar Initiative. Existing law requires the PUC to undertake certain steps in implementing the California Solar Initiative.~~

~~This bill would require the commission to implement a strategy to expand the participation rates of multiunit residential and commercial rental properties in utility energy efficiency and solar energy programs~~

~~in accordance with prescribed program requirements. The commission would be required to prepare and submit a report on that program to the Legislature.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 17053.86 is added to the Revenue and*
2 *Taxation Code, to read:*
3 *17053.86. (a) For each taxable year beginning on or after*
4 *January 1, 2010, there shall be allowed as a credit against the*
5 *“net tax,” as defined in Section 17039, an amount equal to ____*
6 *percent of the qualified expenditures paid or incurred by the*
7 *qualified taxpayer for the production of a qualified music recording*
8 *in California.*
9 *(b) For purposes of this section:*
10 *(1) “Budget” means an estimate of all expenses paid or incurred*
11 *during the production period of a qualified music recording.*
12 *(2) “Music recording production company” means a company*
13 *engaged in the business of producing music recordings.*
14 *(3) “Qualified expenditure” means amounts paid or incurred*
15 *to purchase or lease tangible personal property used within this*
16 *state in the production of a qualified music recording and payments*
17 *for services performed within this state in the production of a*
18 *qualified music recording.*
19 *(4) “Qualified music recording” means a recording of music,*
20 *poetry, or spoken-word performance made in California, in whole*
21 *or in part, that is produced by a music recording production*
22 *company for distribution to the general public with a minimum*
23 *production budget of _____. The term “qualified music recording”*
24 *shall not include the audio portions of dialogue or words spoken*
25 *and recorded as part of a motion picture, video, theatrical*
26 *production, television news coverage, or athletic event.*
27 *(5) “Qualified taxpayer” means a taxpayer who has paid or*
28 *incurred qualified expenditures.*
29 *(c) In the case where the credit allowed by this section exceeds*
30 *the “net tax,” the excess may be carried over to reduce the “net*
31 *tax” in the following year, and succeeding years if necessary, until*
32 *the credit is exhausted.*

1 (d) No deduction shall be allowed to a taxpayer for the amount
2 of qualified expenses for which a credit is allowed to that taxpayer
3 under this section.

4 SEC. 2. Section 23686 is added to the Revenue and Taxation
5 Code, to read:

6 23686. (a) For each taxable year beginning on or after
7 January 1, 2010, there shall be allowed as a credit against the
8 “tax,” as defined in Section 23036, an amount equal to ____
9 percent of the qualified expenditures paid or incurred by the
10 qualified taxpayer for the production of a qualified music recording
11 in California.

12 (b) For purposes of this section:

13 (1) “Budget” means an estimate of all expenses paid or incurred
14 during the production period of a qualified music recording.

15 (2) “Music recording production company” means a company
16 engaged in the business of producing music recordings.

17 (3) “Qualified expenditure” means amounts paid or incurred
18 to purchase or lease tangible personal property used within this
19 state in the production of a qualified music recording and payments
20 for services performed within this state in the production of a
21 qualified music recording.

22 (4) “Qualified music recording” means a recording of music,
23 poetry, or spoken-word performance made in California, in whole
24 or in part, that is produced by a music recording production
25 company for distribution to the general public with a minimum
26 production budget of _____. The term “qualified music recording”
27 shall not include the audio portions of dialogue or words spoken
28 and recorded as part of a motion picture, video, theatrical
29 production, television news coverage, or athletic event.

30 (5) “Qualified taxpayer” means a taxpayer who has paid or
31 incurred qualified expenditures.

32 (c) In the case where the credit allowed by this section exceeds
33 the “tax,” the excess may be carried over to reduce the “tax” in
34 the following year, and succeeding years if necessary, until the
35 credit is exhausted.

36 (d) No deduction shall be allowed to a taxpayer for the amount
37 of qualified expenses for which a credit is allowed to that taxpayer
38 under this section.

39 SEC. 3. This act provides for a tax levy within the meaning of
40 Article IV of the Constitution and shall go into immediate effect.

1 SECTION 1. ~~Section 2853 is added to the Public Utilities Code,~~
2 ~~to read:~~

3 ~~2853. (a) The commission shall do both of the following:~~

4 ~~(1) Implement a strategy to expand the participation rates of~~
5 ~~multiunit residential and commercial rental properties in utility~~
6 ~~energy efficiency and solar energy programs.~~

7 ~~(2) Prepare and submit a report to the Legislature on the program~~
8 ~~developed pursuant to paragraph (1).~~

9 ~~(b) The commission shall ensure that the program complies with~~
10 ~~all of the following:~~

11 ~~(1) Does not result in any additional ratepayer surcharges.~~

12 ~~(2) Is funded through existing utility energy efficiency programs~~
13 ~~and the California Solar Initiative, as defined in subdivision (a) of~~
14 ~~Section 2852.~~

15 ~~(3) Is cost effective for utility customers.~~

16 ~~(c) The commission shall consider, in developing the program,~~
17 ~~whether synergies exist between its energy efficiency program and~~
18 ~~the solar energy programs of the California Solar Initiative,~~
19 ~~including, but not limited to, the low-income provisions of the~~
20 ~~California Solar Initiative, that, in the determination of the~~
21 ~~commission, can make energy efficiency and solar investments~~
22 ~~cost effective for utility customers in multiunit residential or~~
23 ~~commercial rental properties.~~